

Committee on Resources

Witness Testimony

TESTIMONY OF BILL W. UPTON
PLACER DOME U.S. INC.
BEFORE THE RESOURCES COMMITTEE OF
U.S. HOUSE OF REPRESENTATIVES
HEARING ON BLM 3809 REGULATIONS
Elko, Nevada
September 22, 1997

My name is Bill Upton. I am the Manager of Environmental Affairs for Placer Dome U.S. Inc. (PDUS). In this capacity, I have direct and oversight permitting responsibilities for PDUS. Placer Dome U.S. Inc. operates three large gold mines in the United States (two in Nevada and one in Montana) and conducts extensive mineral exploration throughout the west including Alaska. Our United States operations employ a total of 955 people. We employ people in Nevada, Montana, Alaska and Kentucky.

Placer Dome U.S. Inc. has a long history of permitting and operating on public land in Nevada and Montana. Our most recent permitting experience is the expansion of our existing mining operations. In Nevada Cortez Gold Mines began operations in 1969 and is located primarily on public land administered by the BLM and Bald Mountain Mine began operations in 1981 and is located exclusively on BLM administered lands. Our Golden Sunlight Mine in Montana began operations in 1981 and is primarily located on private land but also operates on some BLM administered land.

All of our operations are permitted under the requirements of 43 CFR 3809 and have undergone extensive environmental reviews pursuant to the National Environmental Policy Act (NEPA). Permitting under 3809 and NEPA has been ongoing at Cortez Gold Mines since 1990. The BLM completed their first Environmental Impact Statement for Cortez in 1993. Subsequent discoveries lead to the permitting of our Crescent Pit and preparation of another EIS for our Pipeline Pit and No. 2 Mill Expansion. The BLM is currently completing an Environmental Impact Statement for the most recent Cortez Plan of Operations, "The 1996 Amendment to the Pipeline Plan of Operations, for the South Pipeline Project," which was submitted in September 1996.

In 1993 PDUS acquired the Alligator Ridge Mine, which was originally permitted under 3809 in 1981 by another operator, and merged it with our nearby Bald Mountain Mine operations which began commercial scale heap leaching operations in 1985. The BLM completed an EIS for the expansion of Bald Mountain Mine in 1995 and most recently permitted Bald Mountains LJ Ridge expansion. In 1993 Bald Mountain mine received the Nevada Governors Award for outstanding reclamation and just this year PDUS received the

BLM National "Health of the Land Award" for our reclamation efforts conducted at the Alligator Ridge Mine.

At Golden Sunlight in Montana initial mine development was permitted in 1981 under the Montana Mining and Mineral Policy Act and the Montana Environmental Policy Act. In 1995 the mine submitted an

application to expand operations and the Montana Department of Environmental Quality as the lead agency and the BLM as a cooperating agency are completing an EIS for the expansion.

Nevada and Montana have primacy for permit programs required by the Resource Conservation and Recovery, Clean Water, and the Clean Air Acts. In addition both states have regulations requiring the reclamation of lands disturbed by mining. Each PDUS mining operation has obtained and must comply with the requirements of these various state and federal permits as well.

PDUS supports reasonable surface management and permitting regulations for our operations on both public and private lands. Based on our experience with permitting mining activities on public lands in two different states, we believe the current federal permitting requirements adequately protect public lands and that any further federal permitting requirements or regulation would be of little benefit and would only duplicate existing State programs and complicate the excellent State and Federal permitting and regulatory programs in these states.

The remainder of my testimony will center on the BLMs review of possible changes to their surface management regulations for mineral operations under 43 CFR 3809. PDUS had the opportunity to tour several members of the BLM Task Force conducting this review at our Pipeline Project in April and at Golden Sunlight in early September. The Task Force saw first hand how many of the issues they are concerned with in 3809 are being managed effectively on the ground under their current regulations and the strong State and Federal regulatory programs in both states.

For example at Cortez they saw Notice Level exploration drilling operations and the controls incorporated in these operations to prevent unnecessary and undue degradation. They walked over areas where similar activities had been conducted the season before and which had already been reclaimed and which were nearly indistinguishable from the adjacent undisturbed land. They saw the comparatively low density and intensity of disturbance typical of this activity. We explained to them how important Notice Level exploration is to our long term planning and survival, how it provides the opportunity to gain timely access to prospective areas to further assess their mineral potential before investing the enormous amount of time and money required to permit Plan Level disturbance (greater than 5 acres) under 3809.

At Golden Sunlight the details of their steep slope reclamation plan including a sophisticated soil cover, revegetation emphasizing the establishment of native plant species and comprehensive reclamation monitoring program were observed. The Task Force observed the importance of incorporating site specific conditions such as topography, soils and precipitation into the reclamation plan and how this had been accomplished through the existing State and Federal permitting program in Montana. They also saw the distinct differences in site conditions between Golden Sunlight and Cortez. Unlike many other industries mining can only occur where the resource is located. The contrast in site conditions between Golden Sunlight and Cortez and the resulting differences in their reclamation plans are a good example of why "one size fits all" performance standards would be inappropriate for hard rock mining given the wide variety of site conditions within which it can occur.

Pit backfilling including the enormous expense in dollars and resources to accomplish it, the potential adverse environmental impacts associated with it and the loss in potential mineable resources it would result in were discussed at both operations with the Task Force. The Task Force learned first hand how this issue was included in the alternative analysis during the permitting of both operations and therefore is already receiving detailed evaluation as part of existing State and Federal permitting requirements.

Most importantly the Task Force saw how permitting and regulation of hard rock mining is being effectively coordinated with State Government in both Nevada and Montana. They saw how the permitting role of these States on issues concerning air quality and water quality and quantity is being coordinated with the BLM and effectively carried out in a manner protective of public lands.

We took the opportunity while the Task Force was touring our mines to emphasize that while they were considering revisions to their 3809 regulations there were many other new or pending state and federal regulatory proposals which individually and collectively would have significant affect on our operations and our industry in general. The most important of these new and pending rulemakings include the following: EPA's addition of hard rock mining to the list of industries covered by the Toxic Release Inventory requirements, new particulate standards for regulating dust, proposed regional haze regulations, efforts to possibly narrow or eliminate the Bevill Amendment, and proposed Hard Rock Mining Framework; and the new BLM bonding requirements. We urged the Task Force to consider these recent or pending regulatory changes as part of their review.

In summary PDUS believes, as we showed and explained to the BLM 3809 Task Force, the existing 3809 regulations are working to protect public lands. As new and expanded mining methods and operations begin the current 3809 regulations complemented by strong state regulatory programs have provided for and will continue to provide for the adequate protection of public lands. Contrary to those who oppose mining or would support additional regulatory controls on our operations, we have not seen any evidence that additional regulation is warranted. The examples Ive provided from our operations in Nevada and Montana are testimony to the fact that current regulations are comprehensive and when properly implemented in coordination with state programs adequately protect public, as well as, private lands.

I want to thank you for the opportunity to address this Committee and will do my best to answer any questions.

###